

House Study Bill 133 - Introduced

HOUSE FILE _____
BY (PROPOSED COMMITTEE
ON COMMERCE BILL BY
CHAIRPERSON COWNIE)

A BILL FOR

1 An Act relating to enhanced E911 emergency communication
2 systems, and providing penalties.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 34A.7, subsection 1, paragraph a, Code
2 2013, is amended by striking the paragraph and inserting in
3 lieu thereof the following:

4 a. To encourage local implementation of E911 service, one
5 source of funding for E911 emergency communication systems
6 shall come from a surcharge per month, per access line on each
7 access line subscriber, of one dollar.

8 Sec. 2. Section 34A.7, subsection 1, paragraph b,
9 subparagraph (1), Code 2013, is amended to read as follows:

10 (1) The program manager shall notify a local exchange
11 service provider scheduled to provide exchange access line
12 service to an E911 service area that implementation of an E911
13 service plan has been approved by the joint E911 service board
14 ~~and by the service area referendum~~ and that collection of the
15 surcharge is to begin within sixty days.

16 Sec. 3. Section 34A.7, subsection 5, Code 2013, is amended
17 to read as follows:

18 5. *Use of moneys in fund — priority and limitations on*
19 *expenditure.*

20 a. Moneys deposited in the E911 service fund shall be
21 used for the repayment of any bonds issued for the benefit
22 of or loan made to the joint E911 service board pursuant to
23 sections 34A.20 through 34A.22, and as long as any such bond
24 or loan remains unpaid the surcharge shall not be reduced or
25 eliminated. Moneys deposited in the fund shall be subject to
26 such terms and conditions as may be contained in the relevant
27 bond documents, trust indenture, resolution, loan agreement, or
28 other instrument pursuant to which bonds are issued or a loan
29 is made, without regard to any limitation otherwise provided
30 by law. ~~The surcharge may be increased, but shall not exceed~~
31 ~~the maximum allowed in subsection 1, upon approval of the~~
32 ~~authority upon such terms and conditions as may be contained~~
33 ~~in the relevant bond documents, trust indenture, resolution,~~
34 ~~loan agreement, or other instrument pursuant to which bonds are~~
35 ~~issued or a loan is made, as deemed necessary or prudent by the~~

1 ~~authority to secure repayment and assure marketability or a~~
2 ~~reasonable interest rate.~~

3 b. Moneys deposited in the E911 service fund shall be used
4 for the following, in order of priority if paragraph "a" does
5 not apply:

6 (1) Money shall first be spent for actual recurring costs of
7 operating the E911 service plan.

8 (2) If money remains in the fund after fully paying for
9 recurring costs incurred in the preceding year, the remainder
10 may be spent to pay for nonrecurring costs, not to exceed
11 actual nonrecurring costs as approved by the program manager.

12 (3) If money remains in the fund after fully paying
13 obligations under subparagraphs (1) and (2), the remainder may
14 be accumulated in the fund as a carryover operating surplus.
15 ~~If the surplus is greater than twenty-five percent of the~~
16 ~~approved annual operating budget for the next year, the program~~
17 ~~manager shall reduce the surcharge by an amount calculated to~~
18 ~~result in a surplus of no more than twenty-five percent of the~~
19 ~~planned annual operating budget. After nonrecurring costs have~~
20 ~~been paid, if the surcharge is less than the maximum allowed~~
21 ~~and the fund surplus is less than twenty-five percent of the~~
22 ~~approved annual operating budget, the program manager shall,~~
23 ~~upon application of the joint E911 service board, increase the~~
24 ~~surcharge in an amount calculated to result in a surplus of~~
25 ~~twenty-five percent of the approved annual operating budget.~~
26 ~~The surcharge may only be adjusted once in a single year, upon~~
27 ~~sixty days' prior notice to the provider.~~

28 Sec. 4. Section 34A.7, subsection 7, Code 2013, is amended
29 by striking the subsection.

30 Sec. 5. Section 34A.7A, subsection 1, paragraphs a and b,
31 Code 2013, are amended to read as follows:

32 a. ~~Notwithstanding section 34A.6, the~~ The administrator
33 shall adopt by rule a monthly surcharge of ~~up to sixty-five~~
34 ~~cents~~ one dollar to be imposed on each communications service
35 number provided in this state. The surcharge shall be

1 imposed uniformly on a statewide basis and simultaneously
2 on all communications service numbers as provided by rule
3 of the administrator. The surcharge shall not be imposed
4 on wire-line-based communications or prepaid wireless
5 telecommunications service.

6 *b.* The program manager shall provide no less than
7 sixty days' notice of the surcharge to be imposed to each
8 communications service provider. ~~The program manager, subject~~
9 ~~to the sixty-five cent limit in paragraph "a", may adjust the~~
10 ~~amount of the surcharge as necessary, but no more than once in~~
11 ~~any calendar year.~~

12 Sec. 6. Section 34A.7A, subsection 2, Code 2013, is amended
13 by adding the following new paragraph:

14 NEW PARAGRAPH. *Ob.* The program manager shall allocate
15 thirteen percent of the total amount of surcharge generated
16 to wireless carriers to recover their costs to deliver E911
17 phase 1 services. If the allocation in this paragraph is
18 insufficient to reimburse all wireless carriers for such
19 carrier's eligible expenses, the program manager shall allocate
20 a prorated amount to each wireless carrier equal to the
21 percentage of such carrier's eligible expenses as compared to
22 the total of all eligible expenses for all wireless carriers
23 for the calendar quarter during which such expenses were
24 submitted. When prorated expenses are paid, the remaining
25 unpaid expenses shall no longer be eligible for payment under
26 this paragraph.

27 Sec. 7. Section 34A.7A, subsection 2, paragraph e, Code
28 2013, is amended to read as follows:

29 *e.* If moneys remain in the fund after fully paying all
30 obligations under paragraphs "*a*" ~~through~~, "*Ob*", "*b*", "*c*",
31 and "*d*", the remainder may be accumulated in the fund as a
32 carryover operating surplus. This surplus shall be used
33 to fund future network and public safety answering point
34 improvements, including hardware and software for an internet
35 protocol-enabled next generation network, and wireless

1 carriers' transport costs related to wireless E911 services, if
2 those costs are not otherwise recovered by wireless carriers
3 through customer billing or other sources and approved by the
4 program manager in consultation with the E911 communications
5 council. Notwithstanding section 8.33, any moneys remaining
6 in the fund at the end of each fiscal year shall not revert to
7 the general fund of the state but shall remain available for
8 the purposes of the fund.

9 Sec. 8. Section 34A.7A, Code 2013, is amended by adding the
10 following new subsection:

11 NEW SUBSECTION. 5. *a.* The program manager, in consultation
12 with the E911 communications council, shall establish a
13 methodology for determining and collecting comprehensive public
14 safety answering point cost and expense data. The methodology
15 shall include the collection of data for all costs and expenses
16 related to the operation of a public safety answering point and
17 account for the extent to which identified costs and expenses
18 are compensated for or addressed through E911 surcharges versus
19 other sources of funding.

20 *b.* Data collection pursuant to paragraph "a" shall commence
21 no later than January 1, 2014. The program manager shall
22 prepare a report detailing the methodology developed and
23 the data collected after such data has been collected for a
24 two-year period. The report shall be submitted to the general
25 assembly by March 1, 2016, and every two years thereafter.

26 *c.* A public safety answering point which fails to submit
27 expenses and costs pursuant to the methodology developed
28 pursuant to paragraph "a" by March 31, 2014, shall be allocated
29 sixty-five cents out of the one dollar emergency communications
30 service surcharge until March 31, 2015. A public safety
31 answering point which fails to submit expenses and costs by
32 March 31, 2015, shall continue to be allocated sixty-five
33 cents out of the one dollar emergency communications service
34 surcharge until March 31, 2016, and all revenue derived during
35 this second year shall, notwithstanding any provision to the

1 contrary, be deposited in the emergency communications fund and
2 accumulated as operating surplus as provided in subsection 2,
3 paragraph "e". These provisions shall remain applicable for
4 failure to submit required data for every successive two-year
5 period.

6 Sec. 9. REPEAL. Sections 34A.6 and 34A.6A, Code 2013, are
7 repealed.

8 EXPLANATION

9 This bill modifies provisions applicable to the
10 administration and funding of enhanced E911 emergency
11 communication systems.

12 The bill eliminates existing voter referendum requirements
13 regarding imposition of the local wire-line E911 service
14 surcharge and the alternative surcharge applicable to wire-line
15 communications contained in Code sections 34A.6 and 34A.6A,
16 respectively. The bill replaces current provisions authorizing
17 imposition of the wire-line E911 service surcharge in an amount
18 up to \$1 per access line with a requirement that the surcharge
19 be imposed at the \$1 level. The bill increases the level of
20 the emergency communications service surcharge from the current
21 level of up to 65 cents per communications service number to
22 \$1 per service number.

23 The bill reinstates provisions authorizing wireless carriers
24 to recover their E911 service delivery costs which were
25 eliminated during the 2012 legislative session. However, the
26 bill specifies that the program manager shall allocate 13
27 percent of the total amount of emergency communications service
28 surcharge revenue for such cost recovery. Further, the bill
29 requires the E911 program manager to consult with the E911
30 communications council regarding how revenue accumulated in the
31 emergency communications fund as carryover operating surplus
32 shall be allocated. Currently, this determination is made
33 strictly with the approval of the program manager.

34 Additionally, the bill directs the program manager, in
35 consultation with the council, to establish a methodology

1 for determining and collecting comprehensive public safety
2 answering point cost and expense data. The bill states that
3 data collection shall commence no later than January 1, 2014,
4 and that the program manager shall prepare a report detailing
5 the methodology and the data collected after the data has
6 been collected for two years. The report is required to
7 be submitted to the general assembly by March 1, 2016, and
8 every two years thereafter. The bill provides that a public
9 safety answering point which fails to submit expenses and
10 costs pursuant to the methodology by March 31, 2014, shall
11 be allocated 65 cents out of the emergency communications
12 service surcharge until March 31, 2015, and that a public
13 safety answering point which fails to submit expenses and costs
14 by March 31, 2015, shall continue to be allocated 65 cents
15 until March 31, 2016, with all revenue derived during this
16 second year deposited and accumulated as operating surplus in
17 the emergency communications fund. The bill specifies that
18 these provisions remain applicable to public safety answering
19 points for failure to submit required data for every successive
20 two-year period.